

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

In re: _____) Chapter 11
) _____
EASTERN LIVESTOCK CO., LLC,) Case No. 10-93904-BHL-11
) _____
) _____
Debtor.) _____

MOTION TO COMPROMISE AND NOTICE OF OBJECTION DEADLINE AND HEARING

James A. Knauer, as chapter 11 trustee (the "Trustee") for Eastern Livestock Co., LLC (the "Debtor"), hereby moves the Court, pursuant to 11 U.S.C. 9019(a), to approve the proposed compromise between the Trustee and First Bank and Trust Company ("First Bank") pursuant to the *Motion To Approve Compromise Of Controversy Between Eastern Livestock Co., LLC And First Bank And Trust Company* (the "Motion") filed on October 30, 2012 (Docket No. 1498). In support thereof, the Trustee states as follows:

1. First Bank was a lender to Thomas P. Gibson ("Gibson"), the Debtor's principal and managing member. Gibson filed a voluntary petition for relief under chapter 7 of the Bankruptcy Code (the "Gibson Case") with the Court on December 1, 2010. Kathryn Pry is the duly appointed and acting chapter 7 trustee (the "Gibson Trustee") in the Gibson Case. First Bank and the Trustee have each filed a proof of claim in the Gibson Case.
2. The Trustee, the Gibson Trustee, and First Bank all assert interests in \$4,700,000 in funds (the "Seized Funds") that were seized from a Gibson-controlled account and that are in the process of being forfeited from a Gibson-controlled bank account at Your Community Bank by the Department of Justice/United States Attorney for the Western District of Kentucky.
3. First Bank has been an active participant in the chapter 11 case and the Gibson Case. First Bank has asserted various claims against Debtor, the Seized Funds, the Trustee, and the Trustee's professionals. On or about September 13, 2012, First Bank filed a notice of appeal from an order of the Court denying a motion filed by First Bank to remove the Trustee, commencing an appeal to the United States District Court.
4. The Trustee initiated an adversary proceeding in the chapter 11 case (Adv. Proc. No. 12-59077) and now pursues various claims against First Bank.
5. First Bank, the Trustee and other parties participated in a Court-authorized two-day mediation session on October 9 and October 10, 2012 in Louisville, Kentucky. As a result of that mediation and further negotiations, the parties have agreed to a settlement that resolves pending litigation, avoids a dispute concerning a proposed objection to the proposed chapter 11 plan of liquidation, helps coordinate the efficient distribution of the Seized Funds, resolves further controversy over distribution of certain purchase money funds now held in escrow by the Trustee, releases First Bank's proofs of claim in this chapter 11 case, and provides for a release of claims between First Bank, Debtor, Trustee, and the Trustee's professionals.

NOTICE IS GIVEN that any objection to the relief requested in the Motion must be filed in writing in accordance with Local Rule S.D. Ind. B-9013-1 with the Clerk's Office and served on the attorney for the moving party on or prior to the hearing on November 19, 2012. Those not required or not permitted to file electronically must delivery any objection by U.S. mail, courier, overnight/express mail, or in person at:

Clerk, U.S. Bankruptcy Court
110 U.S. Courthouse
121 W. Spring St.
New Albany, IN 47150

The objecting party must ensure delivery of the objection to the party filing the Motion. **If an objection is NOT timely filed, the requested relief may be granted.**

The Court will hold a hearing on the Motion on:

Date: November 19, 2012
Time: 10:00 a.m. EST
Place: 121 W. Spring Street, Room 103, New Albany, Indiana

The dial-in telephone number for interested parties to participate in the hearing by conference call is 1-888-399-7768; passcode 586676, followed by the pound ("#") key.

WHEREFORE, the Trustee moves the Court for an order approving the compromise as filed in this matter.

FAEGRE BAKER DANIELS LLP

By: /s/ Kevin M. Toner

James M. Carr (#3128-49)
Kevin M. Toner (#11343-49)
Terry E. Hall (#22041-49)
Dustin R. DeNeal (#27535-49)
300 N. Meridian Street, Suite 2700
Indianapolis, IN 46204-1782
Telephone: (317) 237-0300
Facsimile: (317) 237-1000
jim.carr@faegrebd.com
kevin.toner@faegrebd.com
terry.hall@faegrebd.com
dustin.deneal@faegrebd.com

Counsel for James A. Knauer, Chapter 11 Trustee

Wendy W. Ponader (#14633-49)
600 East 96th Street, Suite 600
Indianapolis, IN 46240
Telephone: (317) 569-9600
Facsimile: (317) 569-4800
wendy.ponader@faegrebd.com